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**Abstract:** Since 2020, the novel Corona pandemic had negatively affected the people's economic situation in Jordan. The Jordanian government procedures to contain the spread of the virus from movement restriction, border closures, and lockdown have forced companies to shut down their businesses completely or partly and lay off workers or reduce their remuneration. Some of these companies that had been negatively affected was nonprofit Companies. Nonprofit Companies in Jordan have faced a decrease in financial returns as a result of the reduced amount of donations and an increase in demand of the services they provide, especially those that provide health services. As a result, non-profit companies operating in Jordan had adopted new approaches and mechanism of working to survive and to still be relevant in the Jordanian society. This research article primarily focuses on the impact of the Corona pandemic on non-profit companies operating in Jordan in terms of financials, strategies and the impact of the Jordanian defense law on the situation of the labor working in these institutions. The research has reached to several results that highlight the impact of the Corona pandemic. Corona pandemic had and still has a significant impact on non-profit companies from an economic and legal point of view.

**Keywords:** COVID-19; Non-Profit Companies; Jordan.

## 1. Introduction

In Jordan, nonprofit companies are located in a gray area. The Jordanian Companies Law has stipulate the general framework of the non-profit companies in Article (7/d) as following:

*"Non-profit companies may be registered in accordance with one of the types of companies provided for in this Law and in accordance with the provisions set forth in this Law.<sup>1</sup> These companies shall be registered in a special register named "Register of Non-Profit Companies."*

*The company's provisions, conditions, objectives, work that it is permitted to practice, supervision, the method and manner of receiving assistance and grants, finance resources, spending method, liquidation and accrual of its money upon liquidation and death, and documents that should be submitted to the Controller and remaining related issues will be specified in pursuance to a special regulation issued for this purpose"<sup>2</sup>*

<sup>1</sup> Article (6) of The Companies Law No. 22 of 1997 And its amendments state that; Subject to the provisions of Articles (7) and (8) of this Law, companies registered under this Law shall be divided into the following forms:

1. General Partnership
2. Limited Partnership
3. Limited Liability Company
4. Limited Partnership in Shares
5. Private Shareholding Company
6. Public Shareholding Company

<sup>2</sup> The Jordanian Companies Law No. 22 of 1997.

Based on the above article, the Non-Profit Companies Regulation No. 73 of 2010 was issued to govern the following matter regarding the Non-Profit Companies operating in Jordan:

- The objectives that Non-Profit Companies may follow.
- The Non-Profit Companies establishment procedures, and the official documents that should be submitted to the Jordanian Companies Control Department upon registration.
- The business that nonprofit companies are allowed to do, as Article 4 of the Nonprofit Companies Regulation is:

*"The objectives of the Non-Profit Companies shall be in health service sectors, educational sectors, financing small projects, community development training, or any purpose related to the above-mentioned sectors approved by the Jordanian Companies Control Department".<sup>3</sup>*

- The Nonprofit Companies supervision means.
- Funding and spending approaches and the mechanism of receiving support, grants and donation.
- The liquidation of the nonprofit companies.
- The Procedures that nonprofit companies must follow to convert to profitable companies.

In summary, the Nonprofit Companies Regulation contains 16 articles regulating the registration of the non-profit companies in Jordan, in addition to the objectives and financial returns of these companies, the rights enjoyed by these companies and the duties they are bound by, and what are the procedures that must be followed to turn the company into a profitable company.<sup>4</sup>

## 2. The Conceptual Framework of Non-profit Corporation

In the Middle East,<sup>5</sup> the Jordanian Companies Law No. 22 of 1997 was the first Arab law to permit the establishment of Non-profit corporation based on Article (7/d) of the said law.<sup>6</sup> While globally, the U.S. law represents the most prominent model in which the non-profit company is regulated,<sup>7</sup> the UK Companies Act which was amendment for the last time in 2006, they do not allow the establishment of such corporation,<sup>8</sup> as well as the case in French law, which does not allow the establishment of such a company because Article (1832) of the French Civil Code expressly decided that the purpose of the establishment of the company is to achieve profit and stated law permits the practice of non-profit activities by other companies and association only.<sup>9</sup>

Article 2(b) of the regulation for non-profit companies stipulate a general explanation as "any company that is registered in compliance with the law and this regulation. It does not aim at accomplishing profits, and if any revenues were accomplished they are not to be distributed to any of the company partners or shareholders".<sup>10</sup> Based on the above, the researchers can conclude that, nonprofit company is an establishment that voluntarily work to fulfill the society needs without profit objective.

From the foregoing texts, it seems that they referred to the essential characteristic of non-profit companies, which is that they are a company that does not aim to make a profit. However, the profits that these companies earn when they engage in one of the activities related to their purpose are not distributed to shareholders.<sup>11</sup> The non-profit company is created for religious, literary or scientific charitable purposes, as well as for practicing activities aimed at achieving its business, and it represents a legal form for the establishment or management of some institutions educational or health.<sup>12</sup>

Currently in Jordan, there are (600) registered nonprofit Companies, (570) are fully operating nonprofit companies.<sup>13</sup>

### 2.1. Factors influencing non-profit companies operating in Jordan during covid-19 Pandemic

<sup>3</sup> the Non-Profit Companies Law No. 60 of 2007 was issued on 5/31 2007, then the Non-Profit Companies Law No. 73 of 2010 issued on 12/14/2010

<sup>4</sup> Non-Profit Companies Regulation No. 73 of 2010 As of Official Gazette No. 5071 dated 14/12/2010

<sup>5</sup> Al Amaren, Emad Mohammad; Indriyani, Rachma. Appraising the Law of Wills in a Contract. *Hang Tuah Law Journal*, 2019, 3.1: 46-58.

<sup>6</sup> Ramzi Madi, "The Legal System for Non-Profit Companies in light of the Jordanian Law". *Al-Ijtihad Revue des études juridiques & économiques* 11, (2017): 2.

<sup>7</sup> Hager, Mark; Rooney, Patrick; Pollak, Thomas. How fundraising is carried out in US nonprofit organisations. *International Journal of Nonprofit and Voluntary Sector Marketing*, 2002, 7.4: 311-324. See also, Hansmann, Henry B. The role of nonprofit enterprise. *Yale LJ*, 1979, 89: 835.

<sup>8</sup> Kendall, Jeremy; Knapp, Martin. *Defining the nonprofit sector: The United Kingdom*. Johns Hopkins Institute for Policy Studies, 1993. See also, the U.K. Companies Act 2006 (c. 46) <https://www.legislation.gov.uk/ukpga/2006/46/contents>

<sup>9</sup> Farouk Jassim, "Non-Profit Companies in Kuwaiti Companies Law No. 1/2016". *Journal of the Kuwait International Law School* 1, no 29 (2020): 515-542: 516

<sup>10</sup> Non-Profit Companies Regulation No. 73 of 2010 As of Official Gazette No. 5071 dated 14/12/2010

<sup>11</sup> Farouk Jassim, "Non-Profit Companies in Kuwaiti Companies Law No. 1/2016". *Journal of the Kuwait International Law School* 1, no 29 (2020): 515-542: 517.

<sup>12</sup> Ronald. A. Anderson, Business Law, South – Western Publishing Co, Cincinnati, Ohio, eleventh edition, 1980, p. 629. Cara.C. Putman, Business Law, ALPH Books, New York, First edition, 2009, p. 81. Robert Emerson, Business Law, Barrons, New York, Fifth edition, 2009, p.702.

<sup>13</sup> This information was published on the official website of the Jordanian Companies Control Department.

- cash flow, reduced demand and supply, and disruption in the value chains as a result of Jordanian government measures responding to COVID-19.
- The difficulties to operate as usual at the time of the pandemic. as companies had closed temporarily during the pandemic.
- The non-ability of the companies to continue paying salaries to all workers under existing conditions are for more than one to three months. wage subsidies are essential to cope with the situation.
- Majority of the Jordanian companies including non-profit companies have stopped payment to social security as a result of the COVID-19 crisis, making use of the waiver introduced in Defense Order 1.
- The ability for companies to survive the economic crisis will depend on multiple factors, including how agile enterprises are in ensuring business continuity and adapting their business processes.
- The lack of knowledge and awareness of the companies regarding the support packages or measures available to help them mitigate the impact of the crisis.<sup>14</sup>

### 3. Socio-economic dimension of COVID-19

In December 2019, The World Health Companies has announced a piece of news that had worried all of humanity. A new disease emerged out from Wuhan in Hubei province in China, named Coronavirus which is considered as a pandemic with a potential to affect millions of people worldwide.<sup>15</sup> Since that day, the Coronavirus has infected more than 442 million people worldwide and more than 1.5 million people in Jordan.<sup>16</sup> The health analysts have commented that the COVID-19 outbreak is truly considered as the greatest critical worldwide health/economic catastrophe of the century.

The outbreak of covid-19 in Jordan has started on 2 March 2020, when the first case was discovered. The response of the government was introduced two weeks later in a shape of initial restrictions for operating businesses in Jordan. Later on, a royal decree was signed by His Majesty King Abdullah II to enact the National Defense Law, in order to activate the state emergency law to control the outbreak of the corona virus. Based on that, a team led by the Prime Minister of Jordan which was in that time of "Omar Razzaz" that has applied a full lockdown in the country. The lockdown included a fully closure of Private and public educational, businesses, religious and public institutions, Jordan air and land border.<sup>17</sup>



Figure (1): Timeline of relevant defense orders in Jordan. (18)

Despite the difficulty of estimating the size of the impact of COVID-19 pandemic on the economic growth rate in Jordan, expectations issued by the International Monetary Fund indicate a decline in GDP in Jordan in 2020 by -3.7 percent. Despite this expected decline in the growth rate in Jordan, it is considered good considering the rates of decline in advanced economies in 2020, which are estimated at -6.1%, including the United States -5.9%, the Eurozone -7.5%, the United Kingdom -6.5%, and France -7.2%, while the decline in Jordan is more than the average

<sup>14</sup> Kebede, T. A., Stave, S. E., Kattaa, M., & Prokop, M. (2020). Impact of the COVID-19 pandemic on enterprises in Jordan. *Int. Labour Organ.*

<sup>15</sup> The United Nations World Health Organization announced, on Wednesday 11/3/2020, through its Director-General, Tedros Adhanom Ghebreyesus, that it has now considered the Corona virus that causes "Covid-19" disease, which has infected more than 110 thousand people around the world since December 2019 and is spreading around the world as a "pandemic." That is, it is a global epidemic

<sup>16</sup> Sandeep Reddy Pisati, Vishnu Cherukuri, Siddhartha Srinadhuni, Srikanth Kandikonda, Ravali Bandroju, "Impact of COVID-19 Pandemic on Non-Profit Sector in Telangana". *International Journal of Science and Research* 10, no.2 (2021): 509-518: 509

<sup>17</sup> Tewodros Aragie Kebede, Svein Erik Stave, Age A. Tiltne; Maha Kattaa; Michaela Prokop, Ramzi Maaytah, and Silke Handley, Impact of COVID-19 on Enterprises in Jordan: One year into the pandemic. the International Labour Organisation 2021: 13.

<sup>18</sup> Kebede, Tewodros A. et al. (2021). "Impact of COVID-19 on Enterprises in Jordan: One year into the pandemic". *Int. Labour Organ.* 14.

for the Middle East and North Africa region, with an estimated decline of -3.3%. The inflation rate for the current year in Jordan is 0.2%, while the current balance deficit is expected to reach 5.9% of GDP.<sup>19</sup>

#### Objectives:

- To understand how the Corona pandemic affected the NPC's main objectives.
- To understand how the Corona pandemic affected the workforce in NPC operating in Jordan.
- Knowing the impact of the Corona pandemic on volunteer work and donations in NPC operating in Jordan.

## 4. Method

In this study, the descriptive approach and the analytical approach were followed to reach the goal of the study, which is knowing the impact of the Corona pandemic on the of NPC in Jordan.

In order to achieve the objectives of the study, a questionnaire was used to collect quantitative data since it fits the topic of the study. Furthermore, the quantitative method has more advantages in terms of cost and obtaining a large number of participants compared to the qualitative method. The questionnaire consisted of a set of closed questions to help respondents verify the questions and answer them honestly and objectively. The questionnaire was created electronically through Google Forms in order to facilitate the process of distributing it in the current circumstances.

### 4.1. Study population and sample

The study community represents 570 non-profit companies currently operating in Jordan, while the study sample represents 25% of the non-profit companies operating in Jordan.

### 4.2. Preparation of the data

The required initial data which was obtained through an electronic questionnaire was created electronically through Google Forms distributed to 25% of non-profit companies operating in Jordan.<sup>21</sup> When the required number was reached, the data collection process was stopped and a total of 140 responses were obtained back. After reviewing the data to ensure that it is free of errors, it was found that there were nine questionnaires containing some paragraphs without an answer, so they were removed from the sample, bringing the final sample size to 131.

### 4.3. Study design strategy

The questionnaire contained a number of different sections, such as aspects of the NPC, the main objectives of the companies, donations, workforce and volunteers to understand the way NPCs work and how the pandemic affected their work. The questionnaire contained 16 closed questions distributed in four sections.

The survey started by taking a set of basic details about NPC, such as the names of the companies, the area of competence of the companies, the size of the Companies, and whether the pandemic affected the future plans of the Companies. Other sections included the following:

- **The main objectives of the Companies:** This section contained a set of closed questions such as whether the pandemic affected the basic objectives of the companies, the size of the pandemic's impact on the companies events, in addition to the impact of the pandemic on services, and the extent of the disruption that the pandemic caused on the companies, and for each question an appropriate scale was set to answer it.
- **The workforce:** This section contained a set of closed questions aimed to identify the impact of the pandemic on the workforce in non-profit companies and included questions such as the percentage of the workforce that was laid off during the pandemic, and the percentage of the workforce that receives a wage/salary, and this section also contained questions aimed to know if there has been a change in the way in which the companies operate and if there were virtual meetings during the pandemic.
- **Volunteer work and donations:** This section contains a set of questions that aim to know the impact of the pandemic on volunteering and donations, and it includes questions such as the change in the volunteer base and the percentage of change in it, as well as the change in donations and the percentage of change in them. Each question has an appropriate scale to answer.

<sup>19</sup> The Jordanian Banks Association, the expected effects of the Corona pandemic on some indicators of the Jordanian economy, 2020,

<sup>20</sup> Al Amaren, Emad Mohammad, et al. An introduction to the legal research method: To clear the blurred image on how students understand the method of the legal science research. *International Journal of Multidisciplinary Sciences and Advanced Technology*, 2020, 1.9: 50-55.

<sup>21</sup> The source of the electronic questionnaire was obtained from

1. Pisti, S. ready., et al. (2021). " Impact of Covid-19 on non-profit Sector in Telangana". *International Journal of Science and Research* 10.2: 509-518. DOI: [10.21275/SR21201185653](https://doi.org/10.21275/SR21201185653)
2. Kebede, T. A., Stave, S. E., Kattaa, M., & Prokop, M. (2020). Impact of the COVID-19 pandemic on enterprises in Jordan. *Int. Labour Organ.*
3. Haykal, M., Bensaadi, I., & Yunus, S. (2022). Covid-19 Impact on Micro and Small-Medium Enterprises Operating and Analysis of Government Stimulus Packages. *Budapest International Research and Critics Institute (BIRCI-Journal): Humanities and Social Sciences*, 5(1), 1422-1430.

#### 4.4. Analysis

##### • Information about companies

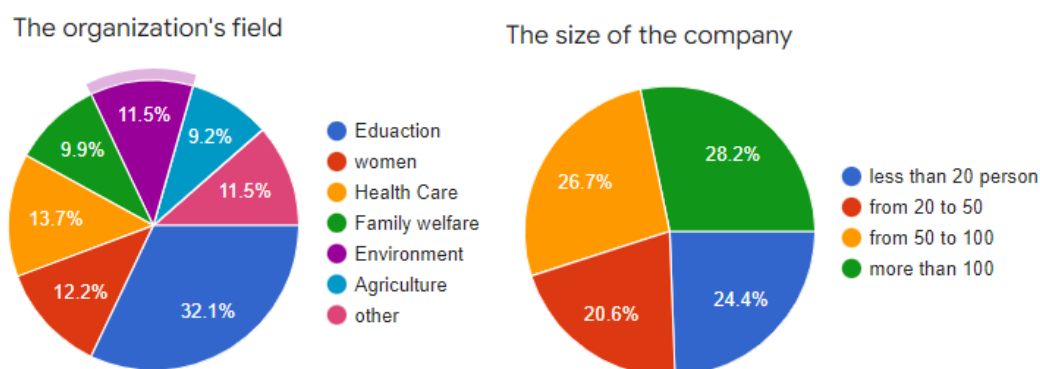


Figure (2): Information about companies

With regard to the companies field represented by the study sample, the previous charts show that the majority of NPC specialize in the field of education by 32.1% of the study sample, after that, health care sector with 13.7% of the study sample. Women's protection sector came in third with 12.2% of the study sample. Environment sectors came forth with rates of 11.5% of the study sample, family welfare with 9.9% of the study sample and finally agriculture sector came last with 9.2% of the study sample. Also, 11.5% of respondents answered none of that. With regard to the size of companies, the percentages were close, as the largest percentage of companies operate with more than 100 persons by 28.2%, then from 50 to 100 by 26.7% then less than 20 persons, 24.4% and the lowest percentage is 20 to 50 persons at 20.6%.

##### Has the pandemic affected future plans

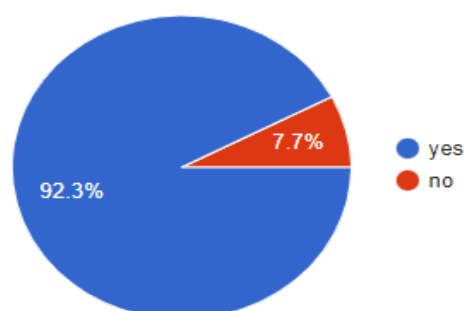


Figure (3): Pandemic affected future plans

Respondents were also asked about whether the pandemic had affected future plans, and the previous figure shows that most of the responses were yes, at 92.3%, and no 7.7%.

##### • The main objectives of the Companies

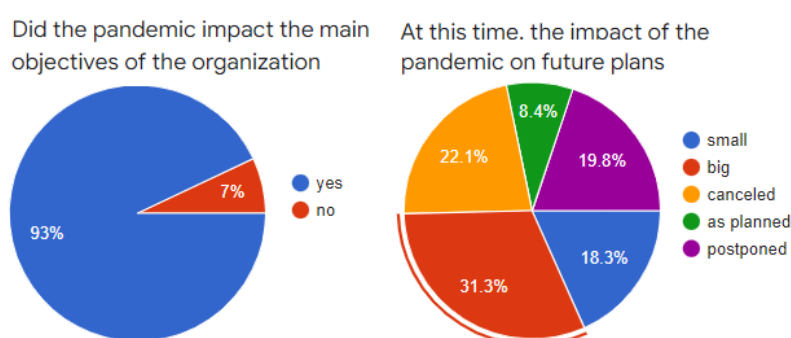


Figure (4): The main objectives of the Companies



This part included the main goals of the companies, were the study sample was asked about whether the pandemic affected the main goals of the companies and the majority of the answers were yes, at a rate of 93.3%, and the majority of the study sample said that the impact of the pandemic on future plans was big at 31.3% and 19.8% said that it was postponed, 18.3% said that the impact was small, 22.3% said that it was canceled and 8.4% said that it was as planned.

The impact of the pandemic on services

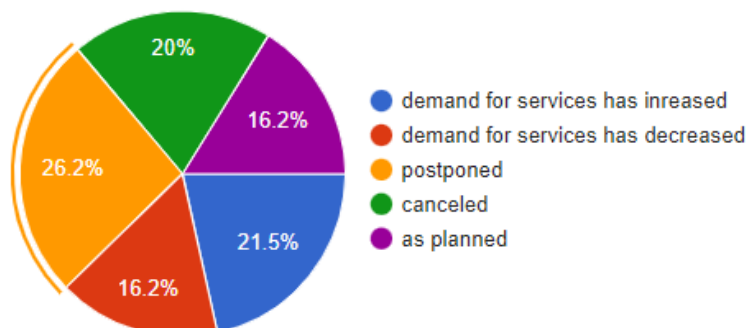
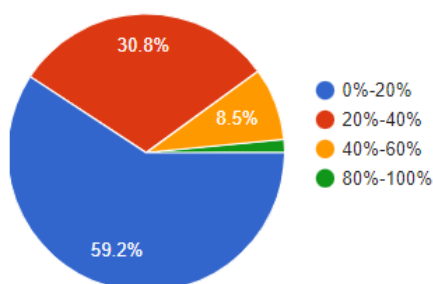


Figure (5): The impact of the pandemic on services

With regard to the demand for services, 16.2% of NPC said that the demand for services decreased, 26.2% said that it was postponed until after the pandemic, 21.5% said that the demand for services increased, and 20% said It was canceled and 16.2% said it was as planned.

#### • Workforce on NPC

proportion of labor force laid off during pandemic



proportion of paid labor force

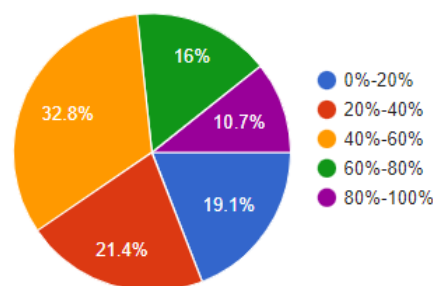
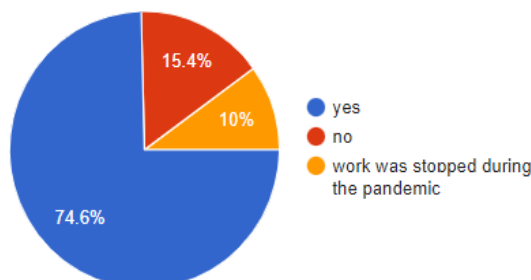


Figure (6): Workforce on NPC

This section discusses the situation of the workforce during the pandemic. As the previous figure shows, that (59.2% or 77 company) of the study sample laid off 0% to 20% employees, (30.8% or 40) companies laid off 20% to 40% employees, and (8.5% or 11 companies) laid off 40% to 60% employees. And only (1.5% or 2 companies) have laid off 80% to 100% employees, and with regard to the paid workforce, (32.8% or 43 companies) of the study sample pay 40% to 60% of employees, (16% or 21 companies) pay 60% to 80% of employees and (19.1 or 25) companies pay only 0% up to 20% of the employees and (10.7% or 14 companies) pay for the majority of their employees from 80% to 100%.

has the way the organization works changed during the pandemic



were there virtual meetings through one of the application or platforms

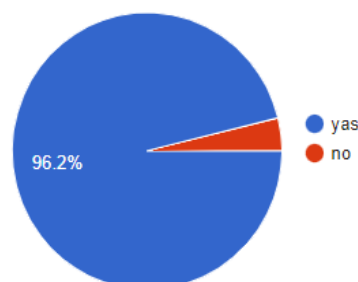


Figure (7): The nature of work during the pandemic

With regard to the nature of work during the pandemic, (74.6% or 97 companies) of the study sample said that there was a difference in the way they worked during the pandemic, and (15.4% or 20 companies) of the study sample said that there was no difference, while 10% or 13 companies of the study sample said that work during the pandemic was completely shut down and stopped. Furthermore, there was almost a consensus by the companies represented the study sample that during the pandemic, there are virtual meetings by a rate of 96.2% or 125 of 131 compines.

At this time, how much disruption did the pandemic cause

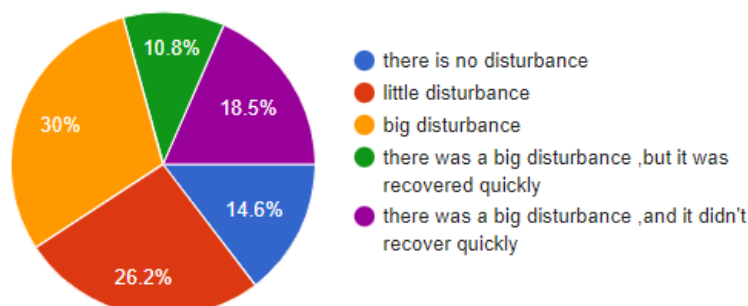


Figure (8): Percentage of disruption caused by pandemic

With regard to the disruption, the previous chart shows (18.5%) of the study sample said that there was a big disturbance and did not recover quickly, in addition, (10.8%) said that there was a big disturbance, but it was recovered quickly, (26.2%) said that there was little disturbance and (14.6%) said there is no disturbance. While, (30%) of the study sample said that there was a big disturbance.

#### • volunteer work and donations

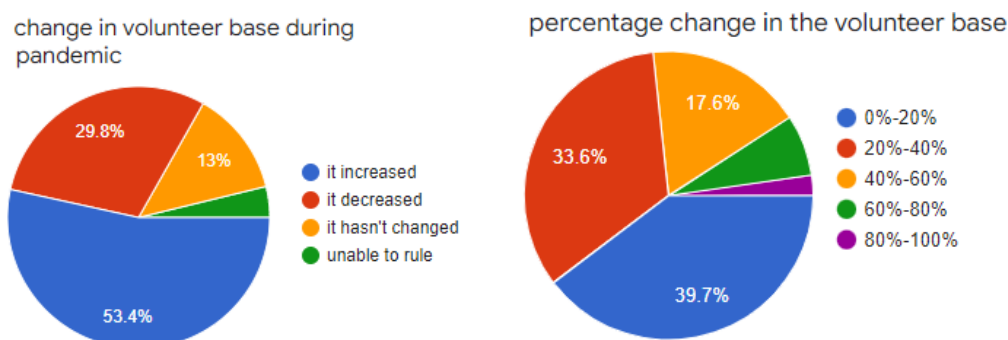


Figure (9): volunteer work and donations

This part discusses volunteer work and donations during the pandemic, and as shown in the charts, 53.4% of non-profit companies operating in Jordan said that the volunteer base increased, 13% said that it did not change, 29.8% said that it decreased, and 3.8% of the study sample said that they were unable to judge. On the other hand, 33.6% of the companies said that the rate of change in the volunteer base was from 20% to 40%, and 39.7% of the companies said that the rate of change in the volunteer base was from 0% to 20%, and 17.6% of the companies said that it was from 40% to 60% and 6.9% of the companies said that it was between 60% and 80 % and only 2.3% said that the rate of change in the volunteer base was from 80% to 100%.

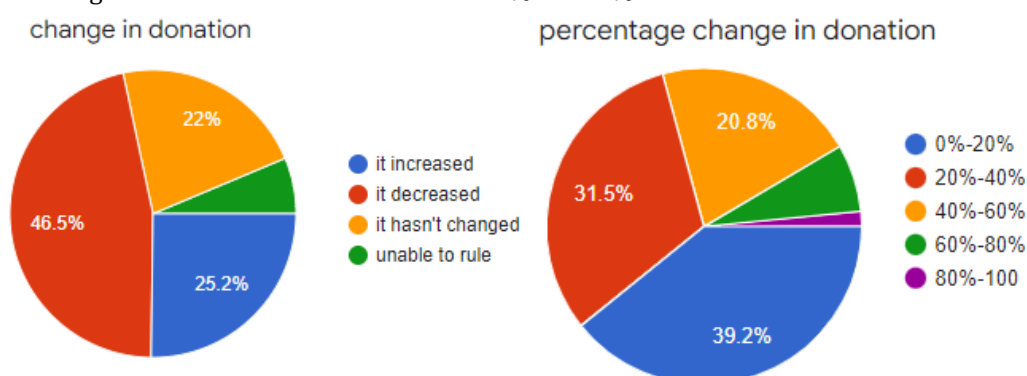


Figure (10): The donations



With regard to donations, 46.5% of the non-profit companies said that donations decreased, 22% of the companies said that they did not change, 25.2% said that donations increased, and 6.3% of the companies said that they were unable to judge. On the other hand, and regarding the change of the donation percentage, 31.5% of the companies said that the rate of change in donations was between 20% to 40% and 39.2% said that the rate of change in donations was between 0% to 20% and 6.9% of the companies said that the rate of change in donations was between 60% to 80% and 20.8% of the companies said that it was between 40% to 60% and only 1.5% of the companies said that they were from 80% to 100%.

## 5. The Impact of the Jordanian Defense Law on Labor Working in Nonprofit Corporation

The defense orders issued under the Defense Act which was imposed starting from 18th of March 2020 in Jordan has led to a devastating breakdown in economic life and has led many establishments in Jordan to be unable to fulfill their responsibilities towards their workers. as a result, many of Jordanian companies has discharge their workers contract or reduce their wage.

According to the Jordanian labor law a *worker* is:

*"any person, male or female, performing work against remuneration for an employer and under his direction, including minors, trainees and persons on a trial period".*

While "work" under the same law is defined as

*"any intellectual or manual effort made by a worker for remuneration"<sup>22</sup>, be it for an indefinite period, or on a casual, temporary or seasonal basis".<sup>23</sup>*

Furthermore, *contract of employment* under the labor law is defined as:

*"an agreement, verbal or written, explicit or implicit, whereby a worker undertakes to work for an employer, under his supervision or direction, in return for remuneration; contracts of employment may be for a specified period or of indefinite duration, or for specified or unspecified work".<sup>24</sup>*

Based on the labor law provision, the provisions of this law shall apply to all workers and employers, except:

- government and municipal officials.
- an employer's family members working without remuneration in his undertakings.
- domestic servants, gardeners, cooks and the like.
- agricultural workers excluding those who shall be covered by this law pursuant to a decision taken by the Council of Ministers on the basis of a recommendation by the Minister".<sup>25</sup>

In conclusion on what has the labor law stipulated in in Article 3 and 4, as well as Article 7/d of the Jordanian companies Law, it is clear that workers who work in non-profit companies are subject to the Labor Law, as is the case with all employees who work in for Non-profit companies that are registered According to the Jordanian companies Law.

### 5.1. The Impact of COVID-19 on Labor law in Jordan

The Jordanian labor law was drafted with the aim of controlling the economic and social aspect of the work force in Jordan, through achieving a balance contractual relationship between the worker and the employer.<sup>26</sup> Therefore, The Jordanian labor law was one of the most prominent laws most affected by the COVID-19 pandemic, hence, many countries of the world have been keen to enact legal regulations to limit the impact which was resulted from the COVID-19 pandemic on the labor contract and the labor situation, therefore, the Jordanian government has focused on issuing a legal rules in which its connected with the labor law to regulate the mechanism for managing and maintaining rights of the worker and the employer during COVID-19 pandemic.<sup>27</sup>

Jordanian Defense Order No. (6) of 2020(2) was drafted to outline certain measures relating to employment conditions, payment of wages, temporary closure of entities/institutions unable to cope under the current circumstances, and making reference to the government Economic Protection Programmes,<sup>28</sup> as this Defense Order has stipulated many provision as follows:

- "All employees in the private sector, or any other establishment subject to the provisions of the Labour Law No. 8 of 1996, shall receive their full wages for the period between 18<sup>th</sup> of March 2020 until 31 of March 2020".<sup>29</sup>

<sup>22</sup> Remuneration is the worker wage or salary.

<sup>23</sup> Jordanian Labour law No.8 of 1996

<sup>24</sup> Jordanian Labour law No.8 of 1996

<sup>25</sup> Jordanian Labour law No.8 of 1996

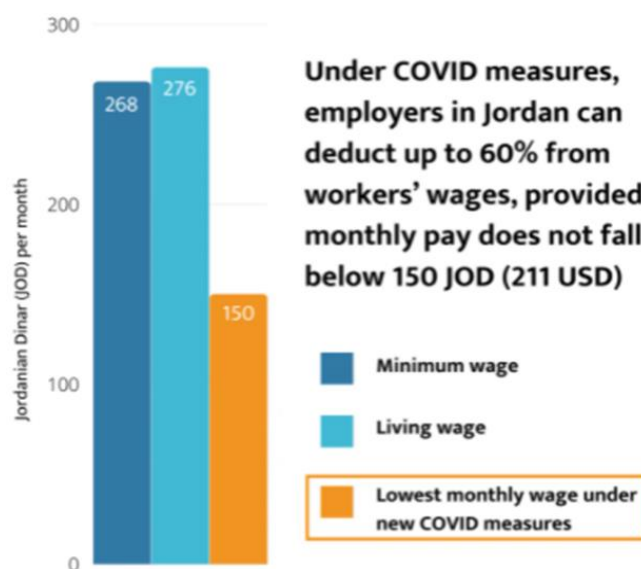
<sup>26</sup> Hisham shakhatreh, Naser albala'wi and Mohammed, Alta'ani, The Impact of Enforcing The Jordanian Defense Act on the Employment Contract in Light of Corona Pandemic (COVID-19). *Turkish Journal of Computer and Mathematics Education (TURCOMAT)*, 2021, 12.14: 399-420.

<sup>27</sup> Kebede, Tewodros Aragie, et al. Impact of the COVID-19 pandemic on enterprises in Jordan. *Int. Labour Organ*, 2020.

<sup>28</sup> Defence Order No. 6 stipulating labour rights in Jordan

<sup>29</sup> This applies to all establishments whether subject to the Lockdown Decision or otherwise

- "Employees excluded from the Lockdown Decision shall not be entitled to overtime work during the period between 18 March 2020 until 31 March 2020, unless they were asked to perform overtime work, pursuant to Article 59 of the Labour Law. The Defence Order No. (6) explains the payment for overtime work as follows: the employee is entitled to 125% of his/her hourly wage for every hour of overtime work performed during ordinary business days, and 150% of the employee's daily rate for every day worked during religious holidays and weekends, with the exception of public holidays (such as this lockdown period)".
- "The institutions which are able to carry on work remotely, whether wholly or partially, shall be considered excluded from the Lockdown Decision, and employers are able to obligate their employees to work remotely if this serves the interest of the establishment".
- **"Employees required at the workplace:** Defence Order No. (6) stipulated that, where an establishment necessitates for the continuation of work that its employees be present at the workplace, such employees are entitled to their full wages. However, it is permissible to reduce the salary of employees therein, provided such reduction does not exceed 30% of the ordinary wage".
- **For remote workers:** "Full-time employees: If such employees are working full time (eight hours daily), then they are entitled to full pay. The salaries of full-time remote workers are also subject to the 30% reduction in salary. The Instructions regarding Remote Working stipulate that if the employer imposes such reduction in salary, and the employee does not object thereto before the Ministry of Labour within a period of seven days from the effective date of reduction, then this shall be considered as free consent on behalf of the employee. Regarding the Part-time employees: Such employees are entitled to their wages for actual hours worked, provided the pay does not fall below the minimum rate per hour, or does not fall below 50% of his/her usual wage, whichever is higher".  
In any case, if the employee has been asked to work overtime, the employee is entitled to 125% of his/her hourly wage for every hour of overtime work performed during ordinary business days, and 150% of the employee's daily rate for every day worked during religious holidays and weekends, with the exception of public holidays.
- **"Employees not required to work:** The defence order No. (6) has granted establishments subject to the Lockdown Decision, or those establishments which are only partially authorized to work, the right to submit a request to the Minister of Labour, seeking to reduce the salaries of employees, who are not required to work, by 50%, provided the salaries thereof do not fall below the statutory minimum wage. If such request is rejected, the establishment is obliged to continue payment of such wages in full". The following chart which indicate the labour situation regarding the wage during COVID- 19 pandemic.<sup>30</sup>



**Figure (11):** The labour situation regarding the wage during Covid- 19 pandemic

- The Defence Order No. (6) has granted establishments in the private sector or those entities subject to the provisions of the Labour Law (whether subject to the Lockdown Decision or otherwise) which are unable to continue payment of employee salaries, even after the aforementioned reduction in salaries, the right to submit a request to a committee (comprised of the Minister of Labour and the Minister of Industry, (Trade and Supply) to cease the entire operations of the establishment, and to suspend the employment contracts of all employees therein.

<sup>30</sup> Business & Human Rights Resource Centre, Workers at risk: Labour rights in Jordan during COVID-19: <https://www.business-humanrights.org/en/from-us/briefings/workers-at-risk-labour-rights-in-jordan-during-covid-19/>

- Defence Order No. (6) has permitted the termination of an employment contract, during the lockdown period, in the following instances only:
  1. Death of the employee or the employee's inability to perform work, provided the same is supported by a medical report.
  2. The employee fulfils the requirements of retirement under the Social Security Law.
  3. The employee impersonates another individual or presents false certificates or documentation with the purpose of procuring a benefit himself/herself or brings detriment to another.
  4. The employee is convicted, by a judicial ruling of final degree, of a felony or misdemeanour, violating public honour and morals.
  5. The employee is found in a state of intoxication or other psychotropic substance or commits an act violating public morals in the workplace.
  6. The employee assaults his/her employer, responsible manager, any of his/her superiors, another employee or any other person during work or, as a result thereof, by battery or insult.

## 5.2. The Impact of COVID-19 on Laborers in Jordanian Non-profit Companies

The spread of the Corona virus has prevented part of the workers from performing their work temporarily and not permanently.<sup>31</sup> For example, in Jordan, in the beginning of the spread of the virus, the government took a total look down in the city of Irbid in March 27, 2020 by taking a preventive decision to completely isolate Irbid governorate from the rest of the governorates of the Kingdom, and isolate villages and regions within the same governorate from each other, in an attempt to contain and control the disease. Citizens residing in the governorate are allowed to spend their needs on foot and individually without using any means of transportation which helped to keep some private sector activities continuing to work without interruption, and thus the activities that the spread of the virus did not close, the work contract is enforceable between its two parties and it is not permissible for the employer to adhere to the provisions of force majeure to terminate the work contract, and each of its parties is obligated to perform its obligations.<sup>32</sup>

Also, the employer is not entitled to terminate the contract as long as the worker continues to perform the work, even if the worker is absent without leave from the employer because he/she is infected with the virus, the employer is not entitled to terminate the work contract in accordance with Jordanian Defense Order No. (6) of 2020 (2) and the Jordanian Labor Law, which stipulates in Article 27, "Subject to the provisions of paragraph (2) of this section, an employer may not terminate the employment of a worker or give the latter notice, if the worker is: c- Temporary absence from work due to an annual or sick leave, on leave granted for worker education or pilgrimage or on leave agreed by both parties to take up trade union office or studies in a recognized institute, college or university".<sup>33</sup>

Furthermore, as for non-profit companies whose activities have been temporarily suspended due to the spread of the Corona epidemic, Article 50 of the Jordanian Labor Law indicated that " If an employer is forced to stop working temporarily for reasons that cannot be attributed to him and which are beyond his control, workers shall be entitled to full remuneration for no more than the first ten days from the date on which work stopped in any one year and half their remuneration for the remaining period. The total remunerated period with full work stoppage shall not exceed sixty days in any one year".<sup>34</sup>

## 6. Conclusion

The COVID-19 pandemic and the Jordanian Defiance Law are having a major impact on Jordanian enterprises in general and on Jordanian Non-profit enterprises in particular. Practically Non-profit enterprises surveyed for this research has faced cash flow challenges, reduced demand and supply, and disruption to value chains. Furthermore, the vast majority of them expect major decline in projected revenue.

As the previous analysis of the responses of NPC in Jordan showed that the Corona pandemic has a great impact on NPC operating in Jordan, the researchers found that the pandemic has affected future plans, including what has been canceled, some of which have been postponed and it has also affected the main objectives of companies and the services they provide. It was also found that companies during the pandemic have changed the way they work and are conducting meetings and completing work online. Non-profit companies in Jordan have also faced a decrease in donations and volunteer work, which are very important for non-profit companies, as they rely heavily on them to finance many projects and pay workers' wages. As a result, we see the significant decrease in donations that non-profit companies operating in Jordan have laid off many of their employees, which in turn will be reflected on the ability of non- profit companies to provide services to society.

<sup>31</sup> AHSANY, Fachry; ALAMSYAH, Ahmad Faiz; AL-FATIH, Sholahuddin. Legal Protection of Labor Rights During the Coronavirus Disease 2019 (Covid-19) Pandemic. *Jurnal Pembaharuan Hukum*, 2020, 7.2: 100-115.

<sup>32</sup> Istbraq Mohammad Hamzah and Ammar Murad Ghirkan, Legal implications of the "Covid 19" Corona virus on employment contracts". *Int. Journal of Legal & Comparative Jurisprudence Studies*, 1(2) (2020), 80-87.

<sup>33</sup> Defense Order No. (6) of 2020(2) and the Jordanian Labor Law, which stipulates in Article 27.

<sup>34</sup> Article 50 of the Jordanian Labor Law.

Regarding the work contract for the worker who work in the non-profit companies, they are subject to Defense Law No. 6 of 2022 in addition to the Jordanian Labor Law, and accordingly, if the non-profit companies did not close because of the spread of the virus, then the work contract should be applicable as normal between the worker and the employer, in addition, it is not permissible for the employer to adhere to the provisions of force majeure to terminate the work contract, and each of its parties is obligated to perform its obligations.

Also, the employer is not entitled to terminate the contract as long as the worker continues to perform the work, even if the worker is absent without leave from the employer because he/she is infected with the virus, the employer is not entitled to terminate the work contract in accordance with Jordanian Defense Order No. (6) of 2020(2) and the Jordanian Labor Law, which stipulates, "Subject to the provisions of paragraph (2) of this section, an employer may not terminate the employment of a worker or give the latter notice, if the worker is: Temporary absence from work due to an annual or sick leave, on leave granted for worker education or pilgrimage or on leave agreed by both parties to take up trade union office or studies in a recognized institute, college or university".

Furthermore, as for non-profit companies whose activities have been temporarily suspended due to the spread of the Corona epidemic, Article 50 of the Jordanian Labor Law indicated that " If an employer is forced to stop work temporarily for reasons that cannot be attributed to him and which are beyond his control, workers shall be entitled to full remuneration for no more than the first ten days from the date on which work stopped in any one year and half their remuneration for the remaining period. The total remunerated period with full work stoppage shall not exceed sixty days in any one year"

Regarding the right of wages of the workers in the non-profit companies during the COVID-19 pandemic, the Defense Order No. (6) of 2020(2) has regulate this matter as follow:

- Full-time employees (still work from the office): If such employees are working full time (eight hours daily), then they are entitled to full pay.
- The salaries of full-time remote workers (work from home) are also subject to the 30% reduction in salary
- Part-time employees: Such employees are entitled to their wages for actual hours worked, provided the pay does not fall below the minimum rate per hour, or does not fall below 50% of his/her usual wage, whichever is higher.
- Employees do not require to work: The Defence Order No. (6) has granted establishments subject to the Lockdown Decision, or those establishments which are only partially authorised to work, the right to submit a request to the Minister of Labour, seeking to reduce the salaries of employees, who are not required to work, by 50%, provided the salaries thereof do not fall below the statutory minimum wage. If such request is rejected, the establishment is obliged to continue payment of such wages in full.

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## أثر جائحة كورونا على الشركات غير الربحية في الأردن (دراسة قانونية اجتماعية)

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### الملخص:

منذ عام 2020، أثرت جائحة كورونا بشكل سلبي على أوضاع الناس الاقتصادية في الأردن. حيث أجبرت إجراءات الحكومة الأردنية لاحتواء انتشار الفيروس من تقييد حركة المواطنين وإغلاق الحدود الشركات على إغلاق أعمالها التجارية كلياً أو جزئياً، وتسريح العمال أو تخفيض رواتبهم. كواحدة من هذه الشركات التي تأثرت سلباً كانت الشركات غير الربحية. واجهت الشركات غير الربحية في الأردن انخفاضاً في العوائد المالية نتيجة انخفاض حجم التبرعات وزيادة الطلب على الخدمات التي تقدمها، لا سيما تلك التي تقدم خدمات صحية. نتيجة لذلك، تبنت الشركات غير الربحية العاملة في الأردن مناهج وآليات جديدة للعمل من أجل البقاء ولتظل ذات صلة بالمجتمع الأردني. تركز هذه المقالة البحثية بشكل أساسي على تأثير جائحة كورونا على الشركات غير الربحية العاملة في الأردن من حيث القدرة المالية والاستراتيجيات وأثر قانون الدفاع الأردني على وضع العمالة في هذه المؤسسات. وقد توصل البحث إلى عدة نتائج تسلط الضوء على تأثير جائحة كورونا من أهمها أن لوباء كورونا تأثير كبير على الشركات غير الربحية من وجهة نظر اقتصادية وقانونية.

الكلمات المفتاحية: جائحة كورونا؛ الشركات غير الربحية؛ الأردن.